VZCZCXRO8638 OO RUEHRG DE RUEHSO #0278 0732039 ZNR UUUUU ZZH O 142039Z MAR 06 FM AMCONSUL SAO PAULO TO RUEHC/SECSTATE WASHDC IMMEDIATE 4661 INFO RUEHBR/AMEMBASSY BRASILIA 5821 RUEHRG/AMCONSUL RECIFE 2768 RUEHRI/AMCONSUL RIO DE JANEIRO 6904 RUEHBU/AMEMBASSY BUENOS AIRES 2097 RUEHCV/AMEMBASSY CARACAS 0206 RUEHAC/AMEMBASSY ASUNCION 2448 RUEHMN/AMEMBASSY MONTEVIDEO 1864 RUEHSG/AMEMBASSY SANTIAGO 1611 RUEHLP/AMEMBASSY LA PAZ 2647 RUCPDOC/USDOC WASHDC 2322 RUEATRS/DEPT OF TREASURY WASHDC RHEHNSC/NSC WASHDC RUEHC/DEPT OF LABOR WASHDC RHMFISS/CDR USSOUTHCOM MIAMI FL

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STATE PASS USTR FOR SULLIVAN/LEZNY
NSC FOR SCRONIN
DEPT OF TREASURY FOR FPARODI
USDOC FOR 332/ITA/MAC/WH/OLAC/JANDERSEN/ADRISCOLL/MWARD
USDOC ALSO FOR 3134/USFCS/OIO/EOLSON/DDEVITO/DANDERSON
STATE PASS EXIMBANK
STATE PASS OPIC FOR DMORONESE, NRIVERA, CMERVENNE
DOL FOR ILAB MMITTELHAUSER

TAGS: PINR PGOV BR

SUBJECT: ALCKMIN IS PSDB CANDIDATE

REF: (A) BRASILIA 502; (B) BRASILIA 460

- (C) SAO PAULO 260 (D) SAO PAULO 73
- 11. Senator Tasso Jereissati, President of the Brazilian Social Democracy Party (PSDB), announced from state party headquarters headquarters in Sao Paulo March 14 that Sao Paulo Governor Geraldo Alckmin is the party's nominee for president. The announcement ends over two months of uncertainty and infighting within the PSDB between supporters of Alckmin and Sao Paulo Mayor Jose Serra. According to press reports, Serra spoke with Alckmin for forty minutes today and said he would end his pre-candidacy in the interests of party unity and to avoid having to contest a primary.
- 12. Alckmin had announced January 9 his intention to run for President, but Serra was considered the front-runner by most observers. He had been the PSDB candidate in 2002, and polls showed him with a much better chance than Alckmin of defeating President Lula in the October elections. But Lula's resurgence in the polls in January and February undermined that argument and made a race look much more difficult. Moreover, Serra was reluctant to announce his candidacy unless there was strong party consensus behind him, since in order to run he would have had to resign as Mayor by March 31 with almost three years remaining in his term. Alckmin must resign as Governor, but his term ends in January 2007 and he was ineligible to run for re-election. Some close to the PSDB have predicted in recent days that Serra may resign anyway to run for Governor to avoid having that important political post fall to a candidate from Lula's Workers' Party (Partido dos Trabalhadores PT).
- 13. Mission Brazil will provide more details, analysis, and biographic information via septel.

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